

## Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 H-02 AID-05 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 /056 W

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R 302210Z JUN 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 653

INFO USDA/FAS

LIMITED OFFICIAL USE SAN JOSE 2685

E.O. 11652: N/A

TAGS: ETRD, EAGR, CS

SUBJECT: HOUSE OF REPRESENTATIVES SUGAR HEARINGS AND  
REQUIRED INFORMATION

REF: STATE 141876

1. FOLLOWING ARE RESPONSES TO CORRESPONDING LETTERED  
QUESTIONS IN REFTEL. LIGA DE AZUCAR HAD PROMISAK MORE  
DETAILS, BUT HAS NOT BEEN FORTHCOMING AS OF TODAY. IF  
FURTHER INFORMATION IS RECEIVED, IT WILL BE FORWARDED.  
(A) LIGA PROMISED TO PROVIDE DETAILS, BUT NOT YET  
RECEIVED. BEST GUESS OF AGATT IS AROUND 10 CENTS BUT  
COULD BE FEW CENTS HIGHER OR FEW LOWER.

(B) LOCAL MARKET VIRTUALLY ALL PLANTATION WHITE WHICH  
IS FIXED AT MAXIMUM OF 9 CENTS PER LB. USING EXCHANGE  
RATE OF COLONES 8.54 EQUALS \$1.00. REFINED SUGAR IS  
FIXED AT 11 CENTS PER LB.

(C) TOTAL VALUE OF SUGAR EXPORTS IN 1974 WAS \$19,393,450  
AND VOLUME WAS 69,166 METRIC TONS FOR A UNIT VALUE OF  
\$280 PER METRIC TON OR 13 CENTS PER LB. ALL EXPORTS  
WERE RAW SUGAR.

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(D) EXPORT PROJECTION BY AGATT FOR 1974-75 IS 90,000  
SHORT TONS, FOR 1975-76, 110,000 TONS AND FOR 1979-80  
175,000 TONS.

(E) THREE COASTAL MILLS BEGAN PROGRAMS A YEAR AGO TO  
DOUBLE PRODUCTION OVER 3 YEAR PERIOD. THEY ARE PROCEEDING  
ON SCHEDULE. THERE HAS BEEN TALK FOR OVER ONE YEAR OF  
INSTALLING A USED PUERTO RICAN MILL ON PACIFIC COAST. AT  
ONE TIME, PRICE WAS GIVEN AT \$1.4 MILLION FOR MILL, BUT  
COULD BE HIGHER NOW. CAPACITY THOUGHT TO BE AROUND  
4,500 TONS. GOCR IS CURRENTLY CONDUCTING A STUDY TO  
REAPPRAISE SUGAR POLICY. OUTCOME COULD BE RECONSOLIDATION  
OF SOME MILLS ON CENTRAL PLATEAU. CURRENTLY, COUNTRY  
HAS 29 MILLS AND WITH TOTAL OUTPUT  
OF AROUND 200,000 TONS PER YEAR. THIS IS LESS THAN  
7,000 TONS OF SUGAR PER MILL PER YEAR AND IMPLIES AN  
INEFFICIENT INDUSTRY EXCEPT THAT MANY MILLS ARE VERY  
OLD AND WERE AMORTIZED YEARS AGO. NEW SUGAR PORT OF  
PUNTA MORALES TO BE OPERATIONAL ANY DAY.

(F) LOCAL SOURCES CITE 7-9 PERCENT PER YEAR. HOWEVER  
THIS SEEMS UNREALISTIC. METHOD OF CALCULATION IS NOT  
BEST AS CONTRABAND TRADE PLUS INCREASING LOCAL INDUSTRIAL-  
IZATION OF SUGAR (LARGELY FOR EXPORT PRODUCTS) GETS INCLUDED  
IN DOMESTIC CONSUMPTION CALCULATION. APPARENT LOCAL PER  
CAPITA CONSUMPTION IS AROUND 113 LBS. AGATT FORECASTS  
FOLLOWING LEVELS OF DOMESTIC CONSUMPTION: 1974-75 -  
108,800 SHORT TONS, 1975-76 - 113,000 TONS AND 1979-80  
-125,000 TONS.

(G) WITH COCA COLA USA, COPY OF CONTRACT FORWARDED WITH  
AGATT REPORT CR 5024. THERE HAS BEEN TALK ABOUT  
POSSIBLE SALES TO KUWAIT AND IRAN, BUT NOTHING SIGNED TO  
DATE AND INFORMED SOURCE DOUBTS THAT ANY WILL BE DUE TO  
COSTA RICA'S FREIGHT DISADVANTAGE VIS-A-VIS OTHER  
POSSIBLE SUPPLIER.

(H) SEE A-234 PLUS AGATT REPORTS. GENERALLY, PRICE OF  
CANE TO PRODUCER FIXED BY LIGA DE AZUCAR, RETAIL  
PRICES FIXED BY MINISTRY OF ECONOMY; LIGA IS MONOPOLISTIC  
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MARKETING AGENCY SUPERVISING ALL LOCAL SALES AND MAKES  
ALL EXPORT SALES. LIGA IS QUASI-GOVERNMENTAL.  
TODMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, PRODUCTION, EXPORTS, US CONGRESSIONAL HEARINGS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
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**Status:** NATIVE  
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**To:** STATE  
**Type:** TE  
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